NEW SOUTH WALES

DIGEST OF CURRENT STATISTICS

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SUMMARY.

- Re-employment. The number of male wage and salary carners in non-rural employment increased in May by 14,000, bringing the total increase since the war ended to 64,000, or 12 per cent. The number of servicemen discharged in the same period who contemplated employment as wage and salary earners in non-rural industries was 102,000. Increase of employment has been rapid in commercial, professional and personal service employment, but still lags in mining and manufacturing.
- 2. Production. The coal shortage now takes the form of serious limitations of rail transport, rather than of power rationing. The 35 per cent reduction in available rail trucks is seriously curtailing the available supply of timber and coment and general merchandise, and delaying the movement of stock and primary produce. Output of pig-iron also declined in June. The rate of house-building improved in June quarter, but shortage of timber in centres of building activity has become acute. The rate of production of building materials has improved. Production of local timber is also currently about 40 per cent above the pre-war level but imports are as yet inextensive. Production of asbestos cement sheets are 60 per cent greater than pre-war. Output of bricks is as yet only one-half of pre-war level and galvanised iron two-thirds of pre-war level.

The pasteral position in the north-west has deteriorated further. All wheat areas except in the south urgently need rain. Butter production is abnormally low owing to dry weather.

3. General. Rotail sales in Sydney fell suddonly in Juno, for reasons not yet apparent. At the same time there was some improvement in the stock position. Advances by the trading banks continued to increase in Juno, and their cash reserve ratios declined further. Amounts deposited in savings banks have fallon off in recent months, and amounts withdrawn have increased, indicating a growing expenditure from savings. Cheque transactions (as measured by bank clearings) are 16 per cent above last year's level. Real estate turnover considerably exceeds in value the pro-war level. The retail price index("C" series rose in June quarter to the level of the war-time peak, and there will be a corresponding increase of 1s. in all basic wages in New Scuth Wales as from August 1.

PART I EMPLOYMENT, BUILDING AND NON-RURAL INDUSTRIES.

EMPLOYMENT. After an hiatus in April, the number of wage and salary earners (excluding rural and domestic) rose by 14,000 males and 4,000 females. This was a greater increase than in any month since the end of the war, except February, when recovery from stoppages due to power-restrictions affected the figures.

WAGE AND SALARY EARNERS IN EMPLOYMENT & NEW SOUTH WALES.

			(In thou 1946-			
At end of-	July	July	Mar.	Apr.	May	
Males		534 252	580 247	584 246		
		786	827			
of m-			crease, (-			

Imployment in Industries. Employment increased in all industrial groups in May. The discrepancy between the rates of expansion in manufacturing, mining and transport industries on the one hand and the commercial and professional groups on the other hand has become more marked. Since July 1945 employment in the former groups has increased by less than 5 per cent while in the latter groups it has increased on the average by 15 per cent. To some extent this disparity is due to the war-time curtailment of employment in commercial and professional groups, and the war-time expansion of factory employment. However, employment in retail trade has now reached the level of July 1939, and employment in "other commerce and finance" and "professional and personal services" is considerably greater than in 1939. Yet the pre-war scale of distributive services (such as home delivery by retail stores and unzoned delivery by tradesmen) has not yet been restored.

Comparisons of industries are as follows:-

	(In thousan			
	1939			
end of-	July			
ing and quarrying				
ing and quarrying	56 25.3			
tories-				
ircraft & Govt.munitions	6			
ther factories	217.4			
tal factories				
nsport and communication				
ail trade	79.9			
er commerce and finance (a) . G	7. 2 59.3.			
fessional and personal services	b) 8 107.6			
	100 (a) dec			

- (a) Includes banking and insurance, wholesale trade, wool and produce brokers, and other offices and agencies.
- (b) Includes public administration (other than administrative staffs of Government Departments) religion and social welfare, health, hospitals, education, other professional, entertainment, sport and recreation, and porsonal and domostic service (other than private).

ovident in the trend of statistics on the placement of ex-servicemen.

Of these who stated their intention to enter commerce and professional and personal services, a far greater proportion have been placed than of these who had planned to enter manufacturing. To the end of May, total number of the discharge since the war, who stated their intention of becoming wage and salary earners in non-rural industries was 102,000, of a total of 156,000 discharged. The actual increase in male employment in non-rural industries in the same period was 64,000, the difference being partly due to pre-employment leave. The extremely rapid rate of placement in commerce, professional and personal service industries is indicated by the following figures -

EMPLOYMENT OF MALES, NEW SOUTH WALES

	becoming wage and employment	
Hining and quarrying		
Manufacturing		
Transport and communication		
Commerce and finance, including retail		
Public administration, professional and		
	12.4 (a) 9.8	
(a) Includes administrative staff of Go		

(a) Includes administrative staff of Government Departments.

(b) Excludes the inistrative staff: of Bovern ant Departments.

Employment in Factories. All factory classes showed some increase in employment in May. There was a marked rise in the printing and paper trades, and the brick and coment and the clothing groups continued to expand, but the increase in textile factories was small. This class, like all other factory classes except "bricks, cement and glass", employs considerably more people than before the war, but its output is lagging seriously behind current demand, and limits the expansion of the clothing trades.

(In thousands)
1939 1945 1946July June Har. Apr. Hay to Lay 1946.

icks, coment, glass etc. 12.3 9.9 12.1 12.2 12.6 + 2.7 +27

onicals, paints, eils etc. 13.4 8.0 12.3 13.9 14.1 14.5 + 2.2 +18

tal trades, incl. vehicles
Aircraft, Government munitions 6 21.8 7.6 6.7 6.5 -15.3 -70

-Other metal trades 7 123.7 123.9 127.3 129.8 +6.1 +5

otal metal trades 7 14.7 18.3 145.5 132.5 134.0 136.3 -9.2 -5

atiles 7 14.7 18.3 17.9 18.3 18.5 + .2 +1

othing 7 18.3 17.9 18.3 18.5 + .2 +1

othing 7 18.4 29.1 33.2 37.0 37.2 38.2 +5.0 +15

od, drink & tebacco 7 26.4 31.6 35.1 33.2 33.7 +2.1 +6

wills, weedworking, furniture 2 14.4 16.0 17.6 17.6 18.1 +2.1 +13

inting, paper etc 12.7 16.4 15.6 17.9 18.1 18.7 +3.1 +20

her factories, inc.heat, light &

power 15.5 19.3 23.4 22.8 23.2 +3.9 +20

Total factories 2 18.1 201.7 307.4 308.5 313.8 +12.1 +4

Exployment of Forales. The number of female wage and salary earners in factories has remained fairly constant in recent menths, at 6 to 7 per cent below the level at the end of the war, and about 40 per cent above the pre-war level. In May there was a marked increase in the number of females employed in the printing and paper trades, which have been handicapped by shortage of females, and in the clothing trades. (Glothing factories are prominent among the new factories registered in recent menths). The textile industries, however, gained few female operatives in May, and remain below the level of June 1945, and considerably below the level required to meet current demand.

FEMALE WAGE & SALARY EARNERS IN FACTORIES, NEW SOUTH WALES

		(In the					
		1939					
		July	Juno				
ricks, coment, glass oted		45					
nomicals, paints, oils ofc		2.7	4.0				
stal trades, including vehicles-							
-Aircraft, Government munitions				1.1	. 9		
-Other motal trades	0	4.8					
Total, metal trades							
xtiles							
othing		22.2					
od, drink & tobacco							
wmills, woodworking, furniture .		1.6					
rinting, paper etc	0	5.4	5.7	5.7	5.5		
ther factories, including heat,							
light & power	0	3.6		4.8			
Total factories	0	59.3					
a Subject to revision. (+)	Do	notes i		, (-) deno			

Replacement of females has proceeded considerably in the transport industries as well as manufacturing. In the commercial, professional and personal services groups, however, women are tending to remain in employment:

FEMALE WAGE AND SALARY EARNERS IN MAIN NON-FACTORY INDUSTRIES, NEW SOUTH WALES (In thousands)

All At end of -	1939 July	1945 July	1946 Mar.			
ransport & communication	5.3 32.5 10.2 47.7	39.2 20.6 68.5	13.4 41.0 20.5	13.2 40.6 20.4		

INDUSTRIAL DISPUTES. In July there was an increase in the number of man-working days lost in the coal industry, after some menths of smaller loss. In other industries the number of man-working days lost in July was a little greater than the pre-war average.

NUMBER OF MAN-WORKING DAYS LOST THROUGH INDUSTRIAL DISPUTES, N.S.W.

	Monthly	average	1946-				
			Jan.				
al & shalo mining		53	10				
ther Industries		104	20				
Total	54	157	30	18			

GAS AND ELECTRICITY. Sales of gas and electricity, after allowances have been made for seasonal effects, were fairly constant in the three months to June 1946:-

INDEX OF CONSUMPTION OF GAS AND ELECTRICITY - SYDNEY.

		yoars ended	Juno 1939 :				
1945-				1946-			
July	Aug.	Sept.	Dec.				
145r		1442					
		r: Roy	risod since	last			

The index, which was 45 per cent above the pre-war level in July 1945, was 55 per cent above it in July 1946, a movement which has contributed to the increased demand for ceal. The current restrictions on exterior lighting and heating of business premises were introduced late in June.

COAL PRODUCTION. Output for the second half of June showed a decline, bringing the average for the month below that for May. Loss of man-days through industrial disputes in June, however, was less than in May:-

COAL INDUSTRY, NEW SOUTH WALES, PRODUCTION AND INDUSTRIAL DISPUTES

37 to 1939		3rd Qtr.			
	1, weekly a				

(a) Monthly average.

TRON AND STEEL. Production of ingot steel was maintained in June (to 24th) at approximately the 1944-45 level, and about 12 per cent above the pro-wer. Output of pig-iron, however, which is more directly affected by shortage of coal, and possibly also by the resumption of production at Whyalla in South Australia in April, continued to decline (to 24th June), to a level 25 per cent below that of 1944-45 and of 1938-39. Employment in iron and steel works also showed a decline in June.

It is reported that distribution of steel is being seriously delayed by lack of raid and shipping facilities. The transport of steel is receiving proference under the present scheme of railway-truck rationing.

	1938-39				
g iron					
got steel		1167			

a. To 24th June. b. Proliminary.

Note: Pig-iron index inclusive of Whyalla production was 1153 in April and 1098 in May.

BUILDING ACTIVITY. Three main aspects should be distinguished in any general review of building activity:-

(1) The expressed demand for building as represented by available statistics as to projected private buildings approved by Local Government authorities, plus Government buildings actually begun.

The extent of building activity as indicated by buildings actually connenced

and in course of erection.

(3) The extent of building achievement as represented by buildings completed.

(1) Value of Projected Buildings. The recorded value of building projects initiated was approximately £8.8 million in June Quarter 1946, compared with £7.3 million in the previous quarter, and a quarterly average of £2.2 million in the first half of 1945. This total of £8.8 million for June Quarter 1946 compares with a quarterly average of £4.8 million in 1939-40. Thus the value of building projects is currently about 84 per cent above pro-war.

Discounting values to allow for a rise of about 50 per cent in building costs would indicate that the wilden of building projects currently being initiated is about 25 per cent greater than in pro-war years.

Comparisons of value are:VALUE OF PROJECTED PRIVATE AND GOVERNMENT BUILDINGS, RECORDED AREAS OF N.S.W.
(£ thousand)

		(00			
		1945-			
	Otrly Average	Jan - Juno	Sept.Qtr.		
ivate (a)		1084	2990		
vornment(b)	648	1071			
tal recorded	4770	2155			

a) Council nowsits, retropolitan area, and 129 country towns and 7 shires.

(b) Contracts let and day-labour projects begun, whole State

The record of private building projects above covers the more populous parts of the State, but excludes areas embracing 28 per cent of the State's population. The figures show the trend but not the absolute total.

(2) Volume of Building Activity: In pre-war years approximately 88 per cent of projected private buildings (Local Government permits) were proceeded with promptly. Under current conditions the proportion of permits promptly proceeded with does not appear to exceed 60 per cent.

It is doduced that the volume of building activity is at present about 85 per cent of the pre-war volume.

(3) Houses Commenced and Completed. Owing to the carry-over of uncompleted defence building at the end of the war it is not possible yet to make useful comparisons of buildings completed other than dwellings.

The following comparison, however, shows the approximate number of houses commenced and completed in New South Wales in the first half of 1946:-

NUMBER OF HOUSES COMMENCED AND COMPLETED, NEW SOUTH WALES.

March Quarter 3,900 1,550
June Quarter 4,400 1,950

These numbers include both Government and privately sponsored houses, and include an estimate for houses built by owners on their own behalf.

A fuller dissection is however possible for the County of Cumberland, which includes the Metropolitan area and environs. This is shown below.

NUMBER OF NEW HOUSES, COUNTY OF CUMBERLAND

Sign-officialization of the property of the control	1939		
	Otrly.Ave		
Privato permits issued	1914		
Private houses commenced	(a)		
Government houses commenced	(b)		
Total commonced	(a)		
Private houses completed	1718		
Government houses completed	(b)		
Total completed	1718		

(a) Not available. (b) neglig

Persons Engaged on New Buildings. It is estimated that the total number of persons engaged on the construction of new buildings in New South Wales increased from about 15,000 in September 1945 to 26,000 in June 1946. Of the 15,000 so engaged in September an approciable proportion was engaged in finishing war-time contracts.

BUILDING MATERIALS. The output of bricks, roofing tiles and local-sawn timber has improved in recent months, but current brick output is still less than half the pre-war level. Employment in brick and tile works is gradually increasing, reaching 2,200 in June, compared with a pre-war average of 3,900. The over-riding limit to building supplies at present, however, is the shortage of rail transport facilities, which is causing an accumulation of timber and cement at country sidings. Restrictions on goods traffic administered by the railway department are particularly heavy on timber.

OUTPUT OF CERTAIN BUILDING MATERIALS, N.S.W.

	1929		
	Mthly Aver		
Bricks (million)	31.6		
Roofing tiles (million)	1.7		
Local-sawn timber (million			
super feet)			
(a) Pr	eliminary.		

NEW SOUTH WALES RAILWAYS. Shortage of locomotive coal is seriously hampering rail transport at present. Rationing of the use of railway trucks was introduced on July 4th, following a 10 per cent reduction in the number of trucks available, and a further 25 per cent reduction was made on July 31st. As a result the transport bottleneck affecting urgently needed supplies of timber, coment and steel has become serious. Restriction of steam train passenger services at present amount to 50 per cent of normal.

Statistics up to June show that tennage carried in recent months has been at about the level of last year and about 7 per cent above that of the same period of 1939. The number of passenger journeys declined slightly in June, possibly as a result of reduced electric-train services introduced on June 23, but the trend in recent months has been about 5 per cent above that of last year and about 40 per cent above the pre-war level.

Net revenue for the year ended June was £6,380,000, compared with £6,904,000 in 1944-45. The decline was due to the combined effect of reduced earnings and higher working expenses.

NEW SOUTH WALES GOVERNMENT RAILWAYS

			(mil	lions)						
	Month	of June								
ar		Goods &	Gross							
	Journeys	Livestock	Earnings		Livestock					
	No.	Tons	£	No.						
39	14.8	1.43	1.58	186.7	15.4					
43	20.5	1.70	2.82	237.4		34.1				
45	21.6	1.46	2.51	254.1	18.6					
46		1.44	1 2.58		16.6					

of Gross earnings loss working expenses. Available to pay interest etc. on railway debt.

trams and buses has led to discussion of increased fares. The present scale of tram fares was introduced in 1932, since when there have been considerable increases in wages and other working expenses. The number of passenger journeys has mounted steadily during the present year, and in May was 8 per cent above the figure for the previous May. However, working expenses have increased over the same period by about 13 per cent. Not earnings in May were only £21,000, compared with £44,000 in May 1945. It is reperted that the full loss for the year ended June, after provision for depreciation and dobt charges, is between £300,000 and £400,000.

Owing to shortage of coal for power generation, reduced week-end tram services were introduced on June 23rd and continued for four weeks.

Results of tram and bus operations to the end of May were as follows:-

market and transferrable franchise	Month of	May	etakirteta tuuti tuun an etiina peenetuta etiina tuuntiilijä jälii						
Year	Passonger Journeys	Gross Earnings	Working Expenses(a)						
)39)45 1946		(£ thous.) 380 490 526	(£ thous.) 314 445 505						

(a) Excluding depreciation. (b) Gross earnings less working expenses, available to meet debt charges.

vans in June, and an increase in those of new cars. Registrations of new cars, however, are still less than 10 per cent of the pre-war rate, while those of lorries and vans in recent months have been running at from 60 to 80 per cent of the pre-war rate, mainly ewing to the civilian registration of lorries

obtained from the Disposals Commission.

NUMBER OF NEW MOTOR VEHICLES REGISTERED. NEW SOUTH WALES.

	1939	1946-		
	June	March		
	1633			
Lorries & vans	615			
Total cars, lorries & vans				

Re-registration of old vehicles laid up during the war has begun to decline in the case of cars, but is being maintained in the case of lorries and vans. Movements in the total number of vehicles on the register are as follows:-

NUMBER OF REGISTERED MOTOR VEHICLES, NEW SOUTH WALES.

	1939 1946		
lars	216.0 191.0		
orries and vans	76.7 97.2		
otal vehicles (a)	327.6 325.0		

(a) Includes also trailers, motor cyckes, buses, cabs etc.

CONSUMPTION OF MOTOR SPIRIT. The latest official statement indicates that petrol rationing in Australia is to be continued at the request of the United Kingdom Government. It was stated that dispite the passing of the United States loan to Britain, it is still necessary to conserve the sterling area's dollar resources, and although Australia's supplies of petrol come mainly from the Persian Gulf, a sterling source, the supplies of the sterling group as a whole were obtained largely from dollar sources. In addition, it was still necessary to use some foreign tankers to transport sterling area petrol.

The trand in consumption of motor spirit in the New South Wales pool area in recent months is as follows. The recent increase of 33% in the ration took effect from July 1.

NEW SOUTH WALES POOL AREA, SALES OF MOTOR SPIRIT.

(Monthly average or calendar month, in thousands of gallons)

			June	July-Sept.				
vi	ces	1711	1925	1552				
er	Government		370	413				
11		5236	4554	5380				
	Total	7349	6849	7345				

452 309

PART II FINANCE AND TRADE.

NINE TRADING BANKS, AUSTRALIA. Advances to customers continued to rise in June. At the same time there were large seasonal withdrawals of doposits, due to income-tax payments. The special deposits required to be kept by the trading banks with the Commonwealth Bank were almost the same as in May. A further decline occupred in the cash and Treasury bill holdings of the trading banks, which are at their lowest level since June 1941. The ratio of cash and Treasury bills to total customers' deposits fell to 11.5 per cent, compared with 14.2 per cent in June, 1945.

These changes are shown in the following table:-

NINE TRADING BANKS - BUSINESS WITHIN AUSTRALIA.

DESCRIPTION OF SHAPE OF STREET	- san-san-santantantantantan san-san-san-sa	Inves	stments					
ate	Deposits lodged by Customers	Special Deposits with Comm'th Bank			Troasury Bills			
ne 1939	318.0	In million	of pounds 22.1	291.7	23.9			
10 1941	360.0	eng only essi-	61.9		36.1			
10 1944 10 1945 10 1946	582.5	182.8 241.8 258.5	89.1 104.3 121.6		55.4 46.5 40.0			

The expansion of advances, after their long war-time decline, has been proceeding since March 1945. At first it was probably a result of the reduction in rural incomes due to the dry season, but the accelerated expansion of recent months has almost certainly been due to revival of domand for business loans. (The Commonwealth Bank showed reduced advances to private customers in June, but before then it had also shown a rapid rise in advances, the increase in the eight months ended May totalling £7.4 millions). Bank loans for business purposes at the present time would cover only a small proportion of total business expansion, owing to the extremely liquid position of many businesses.

INTER-BANK CLEARINGS, SYDNEY. In the three months ended June, turnover of the Sydney clearing house (excluding transactions arising from Treasury bill movements) reached an average of £149 million per month, compared with £129 million per month in the same three months of 1945, an increase of 16 per cent.

The increase in business activity since the end of the war period, as reflected in inter-bank clearings, was as follows:-

	INTER	-BANK	CLEARINGS,	
--	-------	-------	------------	--

INIE	(£ mill		
Three months ended:- Value of transactions)1945 (Monthly average))1946 Percentage change	121 123		

SAVINGS BANKS. Total deposits in savings banks, excluding accrued interest credited during the menth, increased by less than half a million pounds in June. The amounts deposited each month have increased considerably since the war ended, partly as a result of demobilisation pay, but since February have shown some decline, while the amounts withdrawn each month have continued to increase.

These movements are shown below:

SAVINGS BANK DEPOSITS AND WITHDRAWALS, NEW SOUTH WALES. (£ million)

	1945, average-		
Amounts deposited	JanSept. OctDoc.		
Amounts withdrawn			
Net increase in deposits. Depositors' balances	2.7 4.0		
at end of period	207.5 219.6	224.7228.7230.4	

x Excluding accrued interest £3.6 million.

The increased rates of withdrawal have been accompanied by expansion of retail trade, real estate sales and building activity.

The extent of the increase in deposits during the war period is shown by the fact that depositors' balances at June 1939 totalled only £87.5 m.

REAL ESTATE. The value of properties sold, as shown by transfer documents, has increased by about 60 per cent in the last twelve months.

Despite Treasury control of transfer prices, the pre-war level has been considerably exceeded. Sales in June totalled £3.6 million.

In view of the abundance of cash balances at present, it might be expected that borrowing on mortgage would show a less marked increase than the value of real estate sales. This has been the case, although in recent months the value of mortgages registered has closely approached pre-war levels.

Movements during and since the war are as follows:-

SIX NONTHS ENDED JUNE

(£ millions)

1939 1945 1946

Real estaté sales 16.5 12.1 19.5

Mortgages registered11.5 3.9 8.1

STOCK EXCHANGE. The index of share prices on Sydney Stock Exchange has remained almost constant in the last three months, as a result of the continuance of the ceiling price system. Turnover has been very light as few holders are selling. The increase in the index since the war ended, due to revisions of ceiling prices, has been 13 per cent. For the manufacturing and distributing and insurance groups, the increase has been 16 per cent, retail trade 15 per cent, public utility companies 12 per cent, and pastoral and finance companies 10 per cent.

INDEX OF SHARE PRICES - SYDNEY
Prices of Ordinary Shares (excl.Bank). Par value = 100.

	Manufactur-		ga agus eta - igin (lla terrapa eta eta eta eta eta eta eta eta eta et		
erage	ing and	Retail	Public		
Month	Distributing		Utilities		
37-Mar.			181.0		
39-Aug.		168.2	156.0		
41-Sept		177.2	141.5		
2-Mar.		138.3	120.8		
5-June		207.7	170.4		
-Augé	242.3	207.3	170.3		
6-Apr.	278.9	236.8	190.2		
May	280.5	239.5	191.1		
June	280.5	239.4	190.9		

COMMONWEALTH ACCOUNTS. Accounts for the twelve months ending June 30th are as follows:-

	TH REVE	NUE &						
		0			•			
Income Tax	0 0	.0.	9			215.5		
			0					
Other Taxes	0 0							
		.0			•	30.3		
		0.	0	0				
T	otal Re	evenue						
EXPENDITURE								
War (1939-45)						460.0		
				0				
Payments to States .	0 0							
Income Tax reimbursed to								
					•			
	otal Ex							
Expenditure from loan inc	luded a	above			0			

X Includes £6.7 million paid from balance in National Welfare Fund at

The expenditure shown above is not after deduction of credits from the Disposals Commission of £15.6 million. It is understood, however, that other receipts of the Disposals Commission are included in other credits to trust accounts and the like. Sales by the Disposals Commission to May 31st totalled £45 million, but these were not all for cash. Total credits to "War expenditure" in 1945-46 were £74 million, and gross war expenditure inclusive of these was therefore £452 million (Of this, over £70 million was due to deferred pay of discharged members of the forces).

Reductions in income tax announced on July 12th were estimated to amount to £17.5 million, which when combined with reductions made last year make a total estimated reduction of £37 million, with a further £4 million from the revisions of Sales Tax announced last April and September. These are not net reductions, as they do not take account of net increases in tax receipts due to higher incomes and return of ex-servicemen to the tax paying field

Revision of the conditions under which old-age, invalid and widows pensions will be paid, have been announced. Permissible income is to by increased from 12s. 6d. per week to £1 per week, and the limit of property allowed to be held is to be raised from £400 to £650. These changes were estimated to increase pensions expenditure by about £4.5 million per year.

NEW SOUTH WALES ACCOUNTS. Results for the twelve months ended June 30th are as follows:-

ENUE Twelve months ended June 1945 1946 Change (£ millions) From Commonwealth 18.4 - Not debt charges 5.5 6.7 + 1.2 Governmental Change (£ millions) State taxation 7.69 7.5 - .1 Business undertakings*. 40.7 72.2 1946 Change 1945 (£ millions) 8 millions 1948 Change 1949 (£ millions) 8 millions 1949 (£ millions) 1949 (£ millions)

Railways, Trans and Buses, Road Transport and Traffic Fund, and Sydney Harbour.

Excludes £3.25 million from business undertakings in redemption of Treasury Bills Excludes £3.84 million expended in redemption of Treasury bills.

The decrease in the surplus compared with that of 1944-45 is mainly due to changes in the business undertakings; viz. a fall of £.8 million in railway receipts and a rise of £.5 million in tramway expenditure.

RETAIL TRADE. The trend of value of sales in large Sydney stores received a sudden check in June. The preliminary figure for increase per cent in value of sales over the value in June 1945 was only 10 per cent, compared with increases of approximately 50 per cent in the provious three months. It is true that the value in June 1945 which forms the basis of comparison was relatively high, but the net decline in the trend in June 1946 is still considerable and the reasons are not yet apparent. The value of stock in June was only 7 per cent less than in June, 1945, compared with a difference of 13 per cent in May. Analysis of the returns for May follows.

In May, for the third month in succession, the value of retail sales was approximately 50 per cent greater than that of a year before. At the same time stocks, as in April, were 13 per cent in value below the level of the previous May.

RETAIL TRADE - EXPERIENCE OF LARGE SYDNEY STORES.

Percentage increase + or decrease - on same month of previous year

1945
Aug. Nov. Doc. Jan. Feb. Mar. Apr. May.

Value of Sales +17 +41 +18 +25 +37 +48 +47 +52

Value of Stock +12 +4 -5 -6 -10 -11 -13 -13

The value of stocks of clothing and piece-goods, as compared with the same month of 1945, has been receding, progressively, from -9 per cent in January to -22 per cent in May. As the value of sales of these lines is only approximately 56 per cent above the level of 1939, which implies a somewhat lower volume of turnover than the pre-war, the depletion of stocks is an indication of the continued failure of factory output of clothing and piece-goods to reach pre-war levels.

Stocks of non-clothing items have been maintained better than clothing stocks, and their sales have been heavy. Sales of furniture (proper) in May were 91 per cent higher than in May 1945, with stocks 10 per cent lower. These movements are shown below:-

CITY RETAIL STORES - MOVEMENT IN SALES AND STOCKS

Percentage	increaso +	or decre	ase - May 1743 to May	
Clothing and Piece-goods			Other	
Dress piece-goods	. +52 -	36		
Women's wear			Total furniture depts.	
Boots and shoes		10		
Household piece-goods .			Food & perishables	
Total of above.	• +46 -	22		-13

RETAIL PRICES AND WAGES. As a result of increased prices of clothing and footwear, and meat, the "G" series retail price index increased slightly in all States in June quarter. The index for Sydney rose from 23.4 per cent above the level of September quarter 1939, to 24.9 per cent above it. The index regained the level of June quarter, 1943, which was the war-time peak, at the time whon the price-ceiling regulations were first in operation.

These movements were as follows:-

"C" SERIES RETAIL PRICE-INDEX, SYDNEY From September Quarter 1939 to- Increases in - June Qr. 1943 Ker Qr. 1946 June Qr.	
Food & groce +11.3	
Rent + 0.3 + 0.4 + 75.9 + 74.0 + 79.	
Miscellaneous	

In accordance with these increases there will be a rise of is. per week in the basic wage in all capital cities except Brisbane, which received a is. rise in March quarter.

OVERSEA TRADE, AUSTRALIA. Gradual expansion of civil imports is shown in returns for the twelve ments ended June. The movement has been as follows:-

IMPORTS OF CIVIL MERCHANDISE, AUSTRALIA

		(Ir			
	Jan.	Feb.	Mar.		
1945	6.2	5.0			
1946	10.0	8.2	9.1	11.6	

(a) Not available. Total imports for month, £stg 11.7 million.

These figures may be compared with monthly averages (total imports) of £stg 62 million in 1939. After allowance has been made for price-increases, the volume of imports in recent months would probably be somewhat below the pre-war level.

Owing mainly to supply and transport difficulties overseas imports of most civilian requirements have been below current demand. Comparisons for the main classes of imports are shown below. Price-changes since 1939 should be borne in mind. Shortages of cotton yarn and timplate are reflected in the statistics. Cotton and linen piece-goods for civilian uses show some improvement since last year, as nearly two-thirds of the amount imported in that year were for military purposes.

VALUE OF MAIN CLASSES OF MERCHANDISE IMPORTS, AUSTRALIA (In £stg. million)

		Twelve :	
Tea	0		
Cotton, raw	0		
Cotton yarn	0		
Cotton & linen piece-goods	0		
Artifical silkryarn			
Silk & art.silk piece-goods			
Tinplate	0		
Printing paper			
Undressed timber	0		
Petroleum			

The value of exports of merchandise in 1945-46 was £A189.5 million, higher than in any pre-war year. Wool exports were higher than last year, and there were considerable increases in exports of foodstuffs. Other notable increases were shown in rabbit skins (in response to high prices), sheepskins and iron and steel, and there was a very marked increase in exports of piece-goods and clothing. Movements in the main classes were as follows:-

VALUE OF MAIN CLASSES OF MERCHANDISE EXPORTS, AUSTRALIA

							months	
Wool, greasy					0			
Wheat and flo	ur.	0 0	0	0	0			
Butter		0 0	0	0 .	0	12.9		
Beef		0 0	0	0	0			
Lamb	0	0 0	0	0	0		3.2	
Pork		0 0	0	0	6		1.4	
Bacon and ham		0 . 0		•			.7	
Tinned meat .	0	0 0	0	0	-	.5	4.5	
Apples						1.4	.1	
Pulped fruit						.1	1	
Rabbit skins.		0 0	0	0		.4	3.9	
Sheep skins .		0 0	. 6		0,			
Iron and stee		0 0	0			2.0	1.2	
Pig lead		0 0	0	0	0	4.3	5.6	
Piece-goods .			0		.0	.2		
Apparel and a	ttire				0	.1	.5	3.3

Total values of merchandise imports and exports, with net exports of bullion and specie, were as follows:-

TOTAL VALUE OF IMPORTS AND EXPORTS, AUSTRALIA

	1000			
			months ended	
Total merchandise	imports.			
Total merchandise				
Net exports, bull	ion & spec	ie .	-3.0a	
	a Net imp			

Rapid growth of trade with the United States and India is revealed in the following comparisons. Wool accounts for most of the increase in exports to the United States, and wheat and flour and other foodstuffs for the bulk of the increase in exports to India.

AUSTRALIA'S TRADE WITH UNITED KINGDOM, UNITED STATES AND INDIA

	Imports	
	(£stg million)	
	1938-39 1945-46	
United Kingdom	40.4 58.8	
United States	14.6 41.7	
India	2.9 10.0	

	Dairying	5	heep D	istricts						
Period	Districts	N.	C.	S.						
944 (year) 945 (year) 946 Jan. Feb. Mar. Apr. May June July	79 109 77 160 152 18 44 2	66 99 153 95 66 66 39 23	54 101 100 129 76 90 40 38 38	53 86 166 327 105 61 53 75	53 77 236 228 43 14 24 64 34	57 93 151 195 79 65 42 49	68 95 130 49 48 60 37 33 20			

disposals of Dominion-grown wool by the Joint Organisation. Total sales were 8.2 million bales, of which 5.1 million were Australian-grown wool. Stocks were reduced during the year from 10 million bales to 6.3 million bales. This was mainly due to the replenishment of normal stocks in commercial channels.

sales were rade to the United States.

AUSTRALIA, OVERSEA EXPORTS OF WOOL.

Destination	/ 281		verage, three years	
United Kingdom	0 0	0		
France	0 0			
		-0		
	0 0	0		
United States.		0		
Other countries		0		
Total greasy		0		
Scoured	0 0	0		

A war-time development which may have important effects in the postwar United States market is the U.S. Wool Labelling Act of 1940, which requires weellen products to be marked with the percentage of wool contained in them.

The Commonwealth Parliament has passed a bill to provide for the £7,000,000 accumulated by the Central Wool Committee in activities outside the wool purchase agreement with the United Kingdom, to be paid into a trust fund for the benefit of the wool industry. The bill provides that the money may be used for scientific and economic research, promotion of publicity, regulation of marketing, temporary relief for wool-growers, and the meeting of any losses incurred by the Commonwealth through its participation in the disposals plan administered by the Joint Organisation. The sources of the £7,000,000 were stated by the Prime Minister to have been: skin wools, £2.4 million; wool tops, notice and waste experted from Australia, £2.7 million; deferred price on wool content of manufactured goods experted from Australia £1.6 million; and the proceeds of a few smaller transactions.

WHEAT. Farmers' returns just completed show that they expect to sow 4,580,000 acros with wheat this year compared with 4,220,000 acros sown in 1945-46. However, drought conditions in the northern half of the State are likely to cause a reduction in areas harvested.

The Wheat Industry Stabilisation Bill was passed without amendment through all stages of Parliament. The 1945-46 crop will be the first to which the scheme will be applied.

with the United Kingdom, which itself provides some of the benefits of a stabilisation scheme. The United Kingdom is to buy 160 million bushels per annum (equivalent to from one-third to one-half a normal Canadian crop) at a price of 155 conts a bushel for the first two years, and at minimum prices of 125 conts for the third year and one dollar for the fourth year. The price for the first two years, according to a statement by the Minister for Food in the United Kingdom, is "30 per cent loss than the current United States price and still less than the open market prices in the Argentine". The prices for the last two years are guaranteed minima only, and "in determining the actual prices in the last two years, rogard will be given to the extent to which the agreed price for the previous two years fell below the world price for the period".

The initial price of 155 cents is equivalent to 9s. 5d. Australian, which compares with the average export return currently obtained by the Australian Wheat Board of about 10s. a bushel, and an estimated return to Australian grovers for export wheat, under the stabilisation scheme, of 7s. 10d. a bushel, bagged, f.o.r. ports.

Exports of wheat from Australia in the year ended June 1946 amounted to 12.8 million bushels, compared with 32.4 million bushels in 1944-45, and an average of 76.5 million bushels in the three pre-war years. Practically no wheat was exported in the first eight months of the year, ewing to the local deficiency, but exports are now being expanded. Flour exports amounted to 519,000 tons, compared with 560,000 tons in 1944-45 and an average of 640,000 tons in the three years ended June 1939. The concentration of shipments of

Australian wheat and flour to India, Ceylon and British Malaya under the present "short-haul" system of distributing the world's wheat, is apparent from the following figures:

AUSTRALIA, OVERSEA EXPORTS OF WHEAT AND FLOUR

Dostination	Average, three years ended June, 1939 Wheat (in millions of		
United Kingdom	. 46.0		
	. 4.0	-	
T. A	. 2.5		
	. 1.5	-	
	. 22.5		
All countries	76.5		
	Flour (in thousands of		
United Kingdom	. 161		
Ceylon	. 16		
India	(a)		
British Malaya	. 66		
Egypt		85	
Netherlands East Indies	85	-	
Other Countries	288	128	
All countries	. 640		
(a) Ni	l or negligible.		

DATRYING. Production of butter at the end of the 1945-46 season fell off sharply owing to the dry weather. The season's total was slightly greater than in 1944-45, but well below normal:-

NEW SOUTH WALES	PRODUCTIO			
(In t	housands			
First nin	e months	April		
Average, three years				
ended 1939-40	40.1	4.5		
Year 1944-45	26.0			
Year 1945-46.	27.1			

The british Government has agreed to increase the price of Australian butter and cheese for the third year of the contract (1946-47). The new price for butter will be 173s. 6d. stg. per cwt, compared with a total return of 161s. 1d. stg. for the first two years. For cheese the new price will be 101s. stg. per cwt, compared with a total return of 94s. 9d. stg. paid during the first two years. These prices are f.o.b., Australian port, and refer to choicest grades.

The price of 173s. 6d. stg. per cwt. for butter compares with that of 214s. 8d. stg. agreed to by the British Government in its new contract with Denmark announced this month. The difference is attributed by the Minister for Commerce partly to the difference in freight charges, which would reduce the margin between the landed costs, and partly to the normal premium of Danish over Kustralian butter in the British market. (The difference in landed prices before the war was from 20s. to 30s. stg.)

The return to the farmer under the new price is dependent to some extent on Government policy. The Australian Government had proposed that the new price should be 164s. 4d. stg, which, with the home consumption sales and the Commonwealth subsidy, would bring the return to the farmer to 1s. 72d. per 1b commercial butter equivalent. As the new price in fact is higher than that proposed by the Australian Government, there will be some revision of the proposed payments to farmers. It has been stated that the subsidy will be re-considered, and a stabilisation fund may possibly be established.